



**POST GRADUATE UNIVERSITY EXAMINATIONS**  
**SCHOOL OF MANAGEMENT AND LEADERSHIP**  
**EXECUTIVE MASTER OF BUSINESS ADMINISTRATION**

**EMBA 518: PROJECT MANAGEMENT**

**DATE: 2<sup>ND</sup> DECEMBER 2014**

**DURATION: 3 HOURS**

**MAXIMUM MARKS: 60**

**INSTRUCTIONS:**

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **FOUR (4)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **TWO** questions.
6. Question **ONE** carries **30 MARKS** and the rest carry **15 MARKS** each.
7. Write all your answers in the Examination answer booklet provided



## QUESTION ONE

Read the Case Study below carefully and, answer the questions that follow:

### KISASA WOMEN GROUP

The Kisasa women group was started in 1998. The women started the group immediately after they got a word that a development agency had started a women's support programme in the area and were looking for organized women groups to assist. The women of Kisasa village decided to start a grinding mill project. The shopping Centre in the neighborhood had many vacant shops whose rent was fair and could provide suitable shelter for the proposed project. They traveled not less than 20 km to get their grain processed at the nearest grinding mill. Besides, the women paid very high rates to get the grinding services. By having their own grinding mill, the women would not only save their meager income (through fairly charged grinding rates), but also solve the distance problem, save precious time and transport cost.

The women made enough savings to meet the local contribution required by the donor agency. On learning about this initiative, however, a village businessman offered a free plot of land to the women's group for the project. He also promised to put up the mill shelter at his own cost, but on one condition that the group would accept his wife as a member.

In a few months the Kisasa women mill project had become a reality. The women employed a young man to operate the mill. On seeing that the mill had a good number of customers owing to the large catchments area, the group chairlady decided to hike the service charges without any consultation. She explained to the members that they had a big loan to repay with a high interest rate and therefore it was necessary to maximize profits to clear the debt.



The loan was cleared in the initial one-year period. The project also managed to buy a big piece of land from the proceeds of the mill activity. However some members complained bitterly in protest against the high service charges. The customer population also dropped drastically by the end of the first two years. The group leader started purging those group members who complained about the project management. She always made sure she kept the project committee informed on everything regarding the project's development.

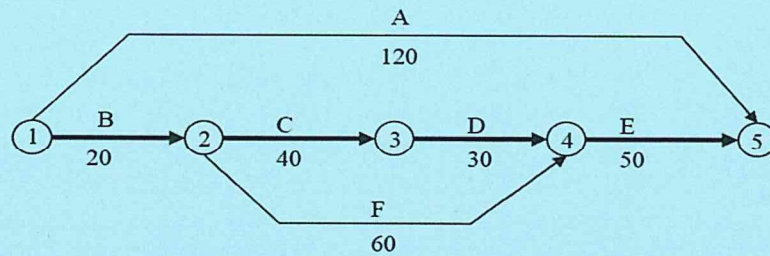
Unfortunately, the mill broke down in the third year of the project implementation. It needed Ksh. 80,000 to bring it back into operation. But the project had not saved any money. There was a big dispute, as some members wanted the land sold to repair the mill, while others demanded their shares back.

On learning of the chaos, the donor agency ordered an audit on the books of accounts of the project only to discover there were neither books kept nor receipt issued for daily revenue collection. As a consequence, the mill operator was fired. The donor offered to pay for the repairs of the mill and another miller was hired. By this time, half of the group had already dropped out of the group anyway.

**Required:**

- a) From the risk management view, explain how this project would have been managed better. ( 10 marks)
- b) Using conflict management strategies explain how the conflict that arouse would have been handled. ( 10 marks)
- c) A small project consists of six activities with the following information as provided below





Activity	Normal Duration (days)	Crash Duration (days)	Normal Cost (000)	Crash Cost (000)
A	120	100	12000	14000
B	20	15	1800	2800
C	40	30	16000	22000
D	30	20	1400	2000
E	50	40	3600	4800
F	60	45	13500	18000

The owner of the project's desire is to see that the project is completed in 110 days.

What would be the minimum total cost for the project?

(10 marks)

## QUESTION TWO

- Project is an organization within an organization, discuss. (6 marks)
- Despite a lot of energy being put to ensure project success, it is not always the case. Explain some of the reason why projects go wrong. (9 marks)

**QUESTION THREE**

Project appraisal is the art and science of determining the viability of a project. Discuss the various appraisal techniques and their relevance to project management.

**(15 marks)**

**QUESTION FOUR**

Using a project familiar to you, explain the phases of project life cycle. **(15 marks)**